

Resolution No.:	18-939
Introduced:	October 10, 2017
Adopted:	October 17, 2017

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: County Council at the request of the Executive

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**SUBJECT:** Maryland Economic Development Assistance Authority and Fund Loan to assist Marriott International, Inc.'s relocation and expansion in Montgomery County (\$2,000,000)

**Background**

1. The County Executive endorses a conditional loan of \$2,000,000 to Marriott International, Inc. ("Marriott") from the State of Maryland under the Maryland Economic Development Assistance Authority and Fund ("MEDAAF"), which is codified under Md. Code Ann., Econ. Dev. §§5-301-5-349.
2. MEDAAF provides conditional grants and loans to businesses engaged in eligible industries locating to, or expanding in, a "priority funding area" in the State of Maryland. Proceeds from the grant or loan may be used by the borrower to reimburse it for the acquisition or construction of buildings or real estate, and acquisition, construction and installation of machinery, equipment, furnishings, fixtures, leasehold improvements, site improvements, or infrastructure improvements.
3. The County has approved a conditional grant of \$22,000,000 from the County's Economic Development Fund ("EDF") to assist Marriott's relocation and expansion in the County ("grant") on May 4, 2017. This grant will be funded from a Supplemental Appropriation - Resolution 18-689 - adopted on December 13, 2016. With the grant, Montgomery County has met the requirement of financing a part of the costs of Marriott's relocation and expansion in the County, which is equal to at least 10% of the financial assistance to be provided from MEDAAF, as required by the §5-319(d) of the Economic Development Article.
4. The State will disburse the MEDAAF loan to Marriott upon the State entering a MEDAAF Agreement with Marriott. The County is not a party to this MEDAAF Agreement with Marriott.

5. Marriott began as a single A&W Root Beer stand root beer stand, set up by J. Willard Marriott and his wife in Washington D.C., in 1927. Marriott established its first hotel in 1957 and has grown today to the world's largest hotel company, with over 5,700 properties offering more than 1.1 million rooms. Marriott operates under 30 different brands in 110 countries. For 2016 the company reported revenue of \$17.07 billion and net income of \$780 million.
6. The relocation of Marriot's headquarters operations to 7750 Wisconsin Avenue in Bethesda, will retain over 3,500 jobs in Montgomery County. The \$600 million project will develop over 1 million square feet of space, including 850,000 square feet of office space, a new 230 room hotel, 225,000 square feet of retail space, over 7,700 square feet of open space, and approximately 12,700 square feet of streetscape improvements. The project will generate a significant economic impact and supporting this relocation and expansion project is consistent with the county's economic development strategic plan.
7. Section 5-319(d) of the Economic Development Article requires the governing body of the jurisdiction in which the project is located to endorse, by a formal resolution, the State's grant of the MEDAAF loan for the project.
8. The County has determined that granting the MEDAAF loan for the project is in the best interest of the citizens of the County.
9. The County Executive requests that the Council adopt this formal resolution approving the MEDAAF loan to support Marriott's relocation and expansion in Montgomery County.

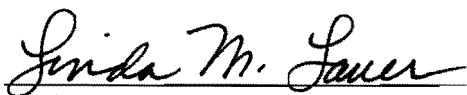
### **Action**

The County Council for Montgomery County, Maryland approves the following resolution:

The County Council hereby endorses the State's grant of a \$2,000,000 MEDAAF loan to support and defray Marriott's costs in connection with its relocation and expansion in Montgomery County.

This Resolution is effective upon its adoption in accordance with applicable law.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council